

AR34

# Guaranty Trust Annual Report 1972

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# Guaranty Trust

Guaranty Trust Company of Canada  
Head Office: 366 Bay Street, Toronto  
Offices and Agencies throughout Canada



# Financial Highlights

(\$000's omitted)	1972	1971	% change
Investment Income	\$ 55,255	\$ 50,759	8.9
Fees and Commissions	5,868	4,996	17.5
Total Revenue	\$ 61,123	\$ 55,755	9.6
Profit from Operations	4,965	3,722	33.4
Net Profit for the Year	\$ 5,382	\$ 3,822	40.8
Earnings per Share	\$1.21	\$0.97	24.7
Dividends per Share	\$0.56	\$0.50	12.0
Assets Under Administration:			
Company and Guaranteed Funds	\$ 793,046	\$ 760,737	4.3
Estate, Trust and Agency Assets	551,747	480,759	14.8
Total Assets Under Administration	\$1,344,793	\$1,241,496	7.5



# President's Address to the Annual Meeting

Toronto, Ontario, February 15th, 1973

## Financial Highlights

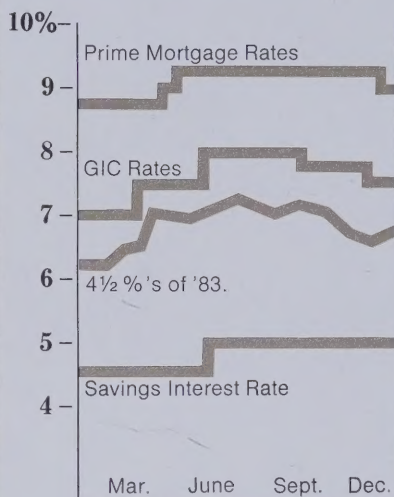
The year 1972 was one of considerable change and internal strengthening for Guaranty Trust Company of Canada. Despite sharply rising corporate expenses, your Company has had a relatively satisfactory increase in earnings and volume of business. Net operating profit, that is operating profit before profit and loss on the sale of securities and extraordinary items, improved by 33% from \$3.7 million to almost \$5 million. As a result of the additional shares subscribed under the rights issue in late 1971, net operating profit per share did not go up by the same percentage, increasing from \$0.95 to \$1.12 per share, or 18% over 1971. Including gains on the sale of securities, per share earnings rose from 97 cents to \$1.17, an increase of 20%. The extraordinary item of \$0.04 a share arose out of the expropriation of our Vancouver property.

## The Economic Environment

The growth of the Company took place in a good year for the economy, although it was a year of stresses and strains arising from a high degree of inflation coinciding with high unemployment. It was a record year for housing in the Canadian economy; an estimated 250,000 housing starts were made. This generated a substantial demand for mortgage funds. However, there was also a 14.7% increase in the money supply and generally speaking, there was an ample supply of mortgage funds during the year, particularly as the year drew to a close.

Interest rates fluctuated quite sharply during the course of the year with the  $4\frac{1}{2}\%$ 's of September 1983 yielding 6.27% in January, rising to a high of 7.37% in June and closing the year at 6.71%. Mortgage rates started the year at  $8\frac{3}{4}\%$  to 9%, rose during the summer to  $9\frac{1}{4}\%$  and closed the year at a rather weak 9% as a result of the large supply of funds. In the area of deposits, the savings rate was adjusted upwards in May from  $4\frac{1}{2}\%$  to 5% while 5 year

## Comparative Interest Rates



GIC's trended upwards from 7% in January to 8% in mid-year and ended the year at  $7\frac{1}{2}\%$ .

The stock market put in an excellent year, with the Toronto Stock Exchange rising by 21.98%. The equity funds under our management performed better than this, which is most gratifying for our customers. It is in the context of this environment that I now turn to a detailed review of the Company's performance in 1972.

## Review of Corporate Performance

The most significant contribution to the improvement in earnings this past year was a \$6 million increase in interest income on mortgage and other loans, offset by a \$1.5 million decline in interest and dividends on securities. Interest paid on deposits increased by only \$2.1 million, providing a net improvement in the margin on our financial intermediary activities of \$2.4 million. The mortgage portfolio, which represents 64% of the Company's total assets, increased \$37 million to pass the half billion dollar mark at the year end.

A thorough review of the mortgage portfolio was undertaken during the year. It is a pre-eminently sound portfolio. Less than \$80,000 of losses have been taken in 40 years of mortgage lending. NHA mortgages account for 75% of the portfolio. In earlier years

the Company took on a large volume of long term mortgages at low rates. These are being paid off and present policy is to take on both conventional and NHA mortgages with five-year terms. We have embarked on a program to broaden Guaranty Trust's mortgage underwriting capabilities, not only in the NHA sector, but also in the conventional, industrial and commercial fields. The Company ended the year with \$72 million of mortgage commitments and is in a strong position for improved earnings from this portfolio in 1973.

During the year, the Company also expanded the personal loan facilities available through Guaranty Trust, and, as in the case of mortgage loans, has established lending authority for many of our branch managers across Canada. The personal loan portfolio increased 16% to \$11.7 million at year end.

Skilled investment management of the bond portfolio resulted in a shortening of average term and an improvement in yield. We ended the year in a sound liquid position with deposits and short term investments substantially in excess of our near-term cash needs.

Preliminary statistics indicate that Guaranty Trust experienced a slight decline in its share of the trust industry deposit market in 1972, as it has for the past number of years. In an effort to improve our performance we introduced the successful GO-5 certificate and changed some features in our existing certificates. The Company's abilities to originate mortgage loans and generate increased deposits have been under review, and we intend to be more aggressive in these areas in the years ahead.

The Company's revenue from fees and commissions from estate, trust and other financial and advisory services increased 17% this past year to \$5.9 million. This is much in line with the increase in assets under administration of 15% to \$552 million at December 31st, compared with \$481 million



at the last year end.

Owing to the impact of the new Canadian tax legislation, the personal services sector of the Company has been the subject of considerable change and restructuring in 1972. During this period, we have been faced with great legislative uncertainties, especially in the area of estate management, and new opportunities in tax related services. We have responded to this situation by introducing a number of new products and putting additional marketing and administrative strength behind our existing services. A capital gains tax calculation service has been introduced as an adjunct to our investment custody and management service, and the Company is test marketing a personal income tax service under the trademark "TaxFile" in eleven of its offices.

In the area of retirement savings plans, we have undertaken a promotional program which is much more comprehensive than anything attempted before. In this regard, we have also added new elements to our RSP package—such as a "Guaranteed RSP" and a loan facility for those who lack the ready cash to put into their RSP's at the end of February.

There will continue to be further substantial improvements in the personal financial services which your Company provides, in keeping with the growing needs of the Canadian public.

In corporate fiduciary services, 1972 was a year for consolidation and selective growth for the company. Our stock transfer services, which have always been a major area of activity for the Company, continued to expand. Corporate trust business did not show substantial gains, but was well serviced and successful. The corporate pension fund services showed significant advances, both in terms of new accounts added and investment performance.

Real estate activities increased significantly during the year. Total commissions increased by 40%; 7 new offices were opened and we

G. R. Sharwood,  
President



established an Industrial, Commercial and Investment real estate brokerage group in Toronto.

Turning from our revenue activities to the expense side, it is evident that, other than interest on deposits which I discussed earlier, our largest dollar increase was in salaries and staff benefits. The advance in this expense item reflects a number of recent changes, including the addition of new management and staff members over the past 18 months and improvements in both salary scales and staff benefits. As in most service companies which undertake a major restructuring and strengthening, Guaranty Trust has had to incur substantial expenses, not only to attract the necessary management and supervisory talent, but also to assure its employees that they will be well remunerated for their contribution to the growth and profitability of the firm.

A considerable strengthening of the accounting function and a thorough review of the accounts took place in 1972. As a result, accounts were restated and reclassified in accordance with current generally accepted practices in the trust industry and internal controls tightened considerably.

Computerization continued with the completion of the conversion of the Guaranteed Investment Certificate portfolio and the

commencement of a program to put the mortgage portfolio on the computer. Implementation of computer applications will continue at a rapid rate in 1973.

### Specific Investments

The Company initiated two important investments during 1972. A total of \$540,000 was invested in the debentures and preferred and common stock of MerBan Capital Corporation Limited by year end. This investment represented approximately 20% of the total capitalization of MerBan. This company had a very successful year making investments in Cablecasting Limited, Electronic Associates, Alpa Industries, Biltmore Hats and Kaps Transport. At year end, these investments had a value substantially in excess of cost.

Guaranty Trust also made an investment just after the year end of \$250,000 in the preferred and common shares of Ventures West Limited, a venture capital company operating out of Vancouver. Other partners in this company include The Canada Development Corporation, the Bank of British Columbia, the Bank of Tokyo and several other Canadian investors.

### Management, Organization and Employees

In June of last year, the Company lost the services through retirement



of its former President and long-time employee, Allan B. Ramsay. All of us, directors and shareholders alike, must pay tribute to the long service that he gave the Company. At that time, the directors elected me as President of the Company and Mr. J. W. McCutcheon as Chairman of the Executive Committee.

Head Office was re-organized during the year in order to develop a more logical and effective management structure for the Company. At the same time, we adopted the titles of Vice-President and Assistant Vice-President for the officers. Several changes were made in branch management which provided opportunities for promotion and advancement for many of our longtime employees. There was also a substantial strengthening of our staff capabilities through the acquisition of several skilled officers and employees. We thus enter 1973 with our human resources significantly stronger.

Since I became President, I have visited 34 out of the 44 branches and have been impressed with the loyalty and good spirits of our employees. With their co-operation, I am sure we will move to new achievements in the years ahead.

### **Directors and Advisory Board Members**

During the past year, we lost through death our great and good friend, Mr. Frank T. Sherk, who had served on the Board and the Executive Committee for some considerable time. As a result of the statutory requirement for retirement at age 75, we are unfortunate to lose also, Mr. J. P. Manley, Q.C. Mr. Manley has given great service to the Company and we are sorry to lose him. Mr. Manley and other Directors who have retired on account of age were elected Directors Emeriti.

Elected to the Board during the year were Mr. Donald I. Webb, Financial Consultant and former Chairman of Merrill Lynch Canada Limited, and Mr. David B. Weldon,



**J. W. McCutcheon, Chairman of the Executive Committee**

Chairman and President of Midland-Osler Securities Limited. We are pleased also to announce that Mr. Charles A. Cadieux, Vice-President of F. W. Woolworth Limited and General Manager of Woolco Department Stores will be standing for election to the Board today. We look forward to having his participation in our Board discussions.

You will see in the material before you that it is proposed that we pass a by-law which reduces the retirement age for directors from 75 to 70 over a period of years. This policy is in line with corporate practice elsewhere.

By resolution passed by the Board on January 25th, the retirement age of Advisory Board members was set at 75 years of age. Accordingly, the following will not be re-appointed to their respective advisory boards during the organizational meeting following this shareholders' meeting: in Ontario: F. A. Domenico, R. H. Coulson, A. G. McHugh, Q.C., P. Gardner, J. E. Racicot, H. Badanai, Hon. M. Dewan, A. L. MacLean, R. W. Keeley and Geo. Weller; in Alberta: Lt.-Col. G. W. H. Millican, Q.C.; in Saskatchewan: S. C. Atkinson and J. H. Lane; in Quebec: J. N. Cayouette; in British Columbia: W. J. Hussey and F. D. Mathers; and, in Manitoba: N. W. Brewer. All these men have been subsequently appointed as Honorary Advisory Board members.

During the year, we lost through death and resignation the following members of our Advisory Boards:

in Ontario: D. G. Burr, G. W. Hough, E. J. Buell Jr., E. M. Proctor, W. H. Furlong and R. S. Riddell; in Alberta: G. W. McNeill and L. W. White; in Saskatchewan: J. P. Lier; and, in British Columbia: J. F. McDaniel.

I would be remiss if I did not say a word of thanks to all these men. They have been of great assistance to the Company and we hope that they cherish their association with us as much as we do their long service to us.

### **Outlook**

We enter 1973 in a good economic climate with the puzzling problem of the coincidence of continued high inflation and high unemployment still with us. The Finance Minister in his budget will be attempting to deal with these problems. It remains to be seen what success his policies will have. With the large increase in money supply that has taken place during 1972 and the possibility of a continued substantial increase in 1973, there is a great danger of sharp increases in inflation and therefore, interest rates, as 1973 draws to a close and the third successive year of economic growth ends. It is possible that 1974 will see the end of the current cycle of growth and this may coincide with high inflation and high interest rates. The contemplation of this possibility does not make us very comfortable as we look that far ahead, but for 1973, we think that your Company will again show good results.

I am sure that I speak for all of our employees when I say that we will jointly continue to work for improved performance so that when we meet again next year, you will be looking at improved profits for 1973.

**Gordon R. Sharwood**  
*President*



# Personal Services



Customer making deposit at an automated "on-line" savings office.

## Deposit Services

Guaranty Trust, through its network of 44 offices from Montreal to Vancouver, provides a broad range of deposit services to its clientele of Canadian consumers, businesses, professional firms and religious, charitable and educational institutions.

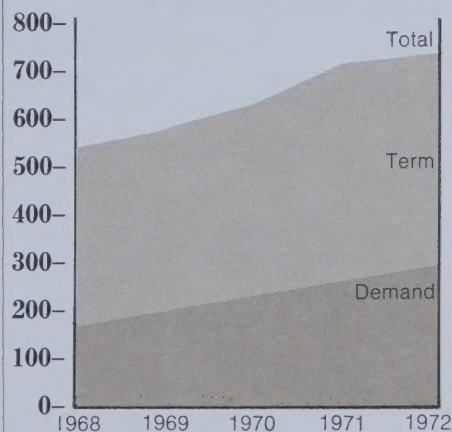
In addition to providing Chequing, Savings and Deposit Receipt facilities on a demand basis, the Company markets Guaranteed Investment Certificates (GIC's) with terms of one to five years and Time Deposits for terms up to 360 days.

In the face of continuing strong competition for the deposit dollar in 1972, Guaranty Trust introduced a new form of investment certificate, the Guaranty Option 5, or GO-5 Certificate, and added a compounding interest feature to its existing GIC's. The GO-5 Certificate is written for a term of five years but can be cashed in on any of its anniversary dates. The interest yield on a GO-5 increases annually on each anniversary date as the certificate is held towards its maturity date. Market acceptance of these new additions has been favourable,

although overall deposit growth did not meet expectations, due to a great extent to a decline in Time Deposits at year end.

The Company intends to continue to innovate in this area in 1973 through the introduction of more new deposit services, the use of more aggressive marketing methods and the renovation and expansion of the branch network.

**Deposits** 5 Year Deposit Growth  
(\$'000,000)







R. J. Widdicombe, Assistant Vice-President Mortgage Investments, reviewing the computerization of the mortgage portfolio with H. Jim, Assistant Vice-President and Controller, and D. K. Marquis, Vice-President Administration.



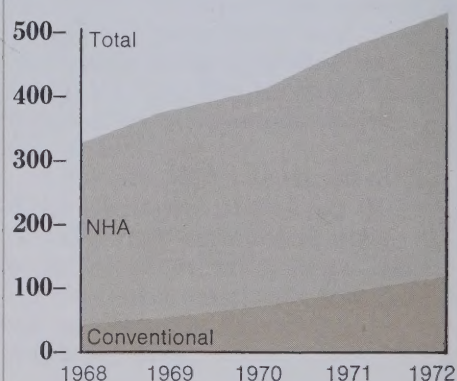
D. Dunlop, Vancouver Mortgage Supervisor, and H. Dammholz, Real Estate Manager, giving mortgage cheque to customers.

## Mortgages

Traditionally a mainly NHA mortgage lender, the Company took steps in 1972 to broaden its lending operations, particularly in the conventional (re-sale) residential market. This was accomplished by expanding the Company's mortgage underwriting capabilities at Head Office and in the field and by extending mortgage lending authority to some of the branches. In addition, Guaranty Trust entered into the conventional high-ratio lending market by availing itself of mortgage insurance facilities. This enables the Company to loan up to 95% of the appraised value of a residence on an insured basis. Approximately 25% of the single family residential mortgages written by the Company in the last quarter of the year were high-ratio loans.

Growth in the portfolio in 1972 was constrained by a highly competitive mortgage market and slow deposit growth in the first half of the year. The Company intends to continue broadening its mortgage lending activities and improving its marketing capabilities in this area in 1973.

**Mortgages** 5 Year Portfolio Growth (\$'000,000)





## Personal Loans

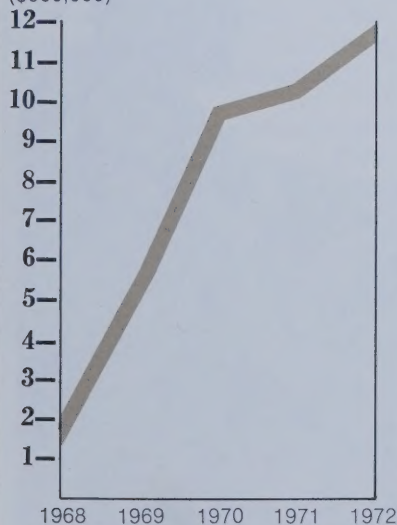
Through its Guaranty Plan Loan facilities, the Company provided personal loan services to over 4,100 Canadians in 1972, an increase of 13% over the previous year. Although a relatively small portfolio in terms of the total assets of the Company, this area is one of continuing growth and an integral part of Guaranty Trust's personal services package.

The Company expanded its personal loan services in 1972 to reach a wider market. A special Vacation Home Mortgage Plan was introduced to enable customers to finance the purchase or renovation of holiday residences. Later in the year, Guaranty Trust introduced the RSP Loan to enable customers to fund their contributions to a Retirement Savings Plan in time for the 1972 tax deduction deadline. The Company's collateral loan policy was also modified to provide a more competitive service.

The broadening of the personal loan services has been accompanied by an extension of discretionary lending limits to an additional 17 branches as trained personnel became available through the year.

## Guaranty Plan Loans

5 Year Growth Record  
(\$000,000)



J. F. Chapple, Investment Fund Services Sales Supervisor, discussing a Guaranty Trust Retirement Savings Plan with a customer.

## Retirement Savings Plans

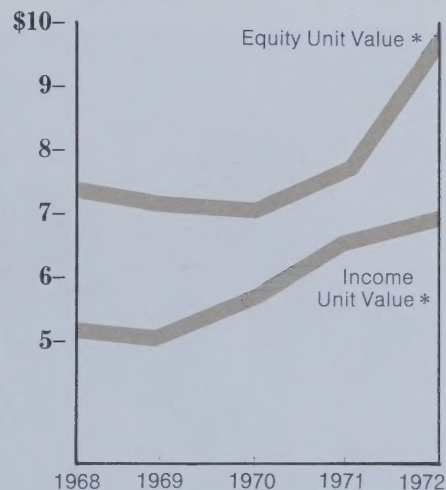
Retirement Savings Plans (RSP's) continue to be one of the fastest growing segments of the Company as an increasing number of Canadians turn to RSP's as a means of reducing their current income taxes. The increased contribution levels introduced by the Government in 1972 have had the further effect of raising the average size of annual deposits to the Plans. An indication of the flow of funds into RSP's is the almost 50% increase in the assets of the Guaranty Trust Managed RSP Fund in 1972 to a new high of \$20.2 million. Included in this annual increase is a 27% growth in the value of the units of the Equity Section and a 7% improvement in the unit value of the Income Section of the Managed RSP Fund. The Company has also been a leader in the marketing of its Special RSP, a self-administered plan in which the client manages his own portfolio and Guaranty Trust acts as the trustee and custodian.

Two new elements were added to the Company's RSP package prior to the 1972-73 campaign. First of these was the RSP Loan referred to earlier. The second addition was the Guaranteed RSP,

a new Plan which offers customers a guaranteed return on their RSP deposits in much the same way as on the Company's GIC's.

## Managed RSP Fund

5 Year Performance Record



\*Unit values include accumulated capital appreciation, dividends and interest.



## TaxFile

With the increased complexity of the filing requirements under the new Tax Act, the Company has moved to test-market an income tax calculation service under the trademark "TaxFile". Initially, the service will be limited to individual (T1) returns personally prepared by specially trained Guaranty Trust TaxFile personnel.

TaxFile is being offered in a sample of eleven Company offices in five Ontario communities, including Toronto, Niagara Falls, Thunder Bay, Sudbury and Ottawa. The experience derived from this initial exposure will be used to guide the expansion of the service next year.

## Investment Services

Guaranty Trust provides a full range of investment services for private and institutional portfolios as well as for its estate and trust accounts. Depending on the particular client's needs, the Company will act as securities custodian, or both as custodian and investment manager of the portfolios. As in previous years, the security port-

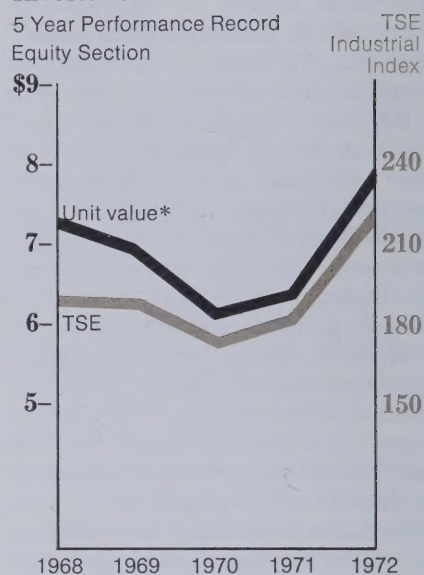
folios under the Company's management experienced good performance in 1972, exceeding the 21.98% rise in the TSE Industrial Index.

With the advent of the capital gains tax legislation, Guaranty Trust introduced a new computerized investment accounting service to complement its existing investment management and investment custody services. The Capital Gains Tax Calculation Service is being marketed either separately or as an adjunct to present investment services.

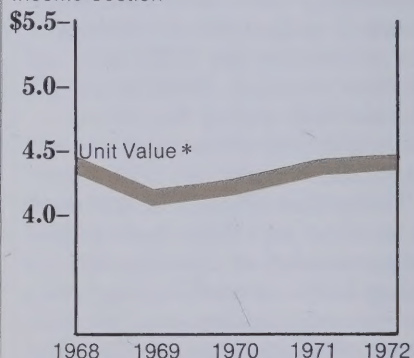
The Company's Investors Fund, a no-load, dual portfolio fund for the smaller investor increased 14% to \$11.9 million in net assets at December 31, 1972. The value of an Equity Unit increased 22.9% during the year, while the value of an Income Unit proved to be stable, exclusive of interest and dividends which are distributed.

## Investor's Fund

5 Year Performance Record  
Equity Section



Income Section



\*Exclusive of distributed dividends and interest.



G. E. Galbraith, National Manager Personal Trust; J. D. Crease, Vice-President Personal Trust; H. R. Barclay, Vice-President Investments; and P. A. Spark, Assistant Vice-President Equity Investments reviewing investment management of client portfolios.





Senior Trust Officer M. T. Nicholson meeting with personal trust clients.

### Personal Trusts & Estates

The introduction of the new Income Tax Act in 1972 and the related changes in the areas of estate and gift taxes and succession duties have had strong implications for the planning and administration of personal trusts and estates. These developments, coupled with the legislative uncertainties which have accompanied them, have greatly increased the complexity of the personal trust business, and at the same time generated new demand for these services. The Company has responded by expanding its staff in this area and streamlining many of its support systems to meet the needs of the new record-keeping requirements.

Revenues from these operations advanced almost 40% in 1972, while the number of accounts and the related assets under administration increased 14% for the year to reach \$422 million. Over 4,500 Canadians appointed Guaranty Trust as executor of their estates during the same period.

There seems little doubt that the demand for Personal Trust and Estate services will continue to increase in line with the growing complexity of the evolving legislation.

### Real Estate Sales

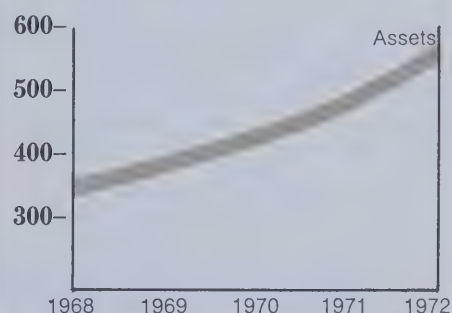
Guaranty Trust expanded its residential real estate sales operation from fourteen to twenty offices in 1972 and has appointed broker representatives in another 42 locations to give the Company coverage in over 60 communities across Canada. Recognizing the growth in inter-city transfers of employees by many Canadian

corporations, the Company launched a new service last year, the Guaranty Purchase Plan. By agreement with a corporate client, Guaranty Trust guarantees the purchase of a transferred employee's home in the event that an immediate sale cannot be made in the regular market. This service relieves the transferred employee of a possible burden and simplifies the transfer for his company.

An Industrial, Commercial and Investment real estate sales office was opened in Toronto and had grown to a complement of ten by the end of 1972.

### Estate Trust and Agency Assets under Administration

(\$'000,000)



W. B. Toews, Guaranty Trust Real Estate Sales Associate showing a Guaranty Trust residential listing to clients.



# Corporate Services

## Corporate Pension Services

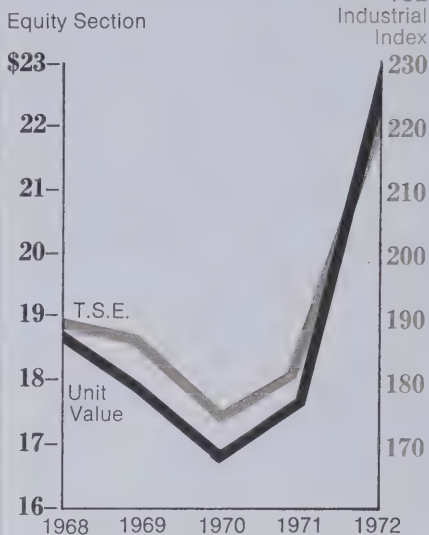
Guaranty Trust's Corporate Pension Service grew dramatically in 1972, increasing its number of clients by 35%, and its pension assets under administration by 76% to almost \$45 million.

The net asset value of the Guaranty Trust Pooled Pension Trust Fund increased 48% to \$10.5 million in 1972 as a result of contributions from new and existing participants, and above-average investment performance. The value of the Equity section units increased 28% while the Income units declined less than 1% in value for the year, exclusive of dividends and interest which are paid in the form of additional units rather than added to the unit values. With declining bond interest rates, clients express a distinct preference for the faster growing Equity section. Similar growth in assets under administration and investment performance was experienced in the segregated pension funds area of this operation. With the increased contribution limits introduced by the new Tax Act, deferred profit sharing plans took on a new appeal and were actively marketed by the Company.

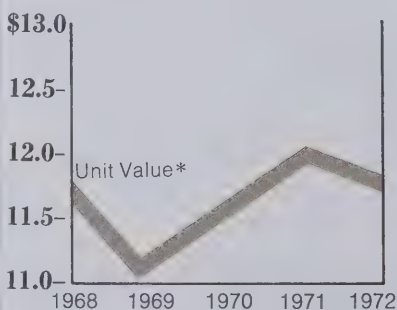
In 1973, the Company intends to centralize the administration of all corporate pension funds and concentrate its sales effort in its prime market segment, that of the medium sized company with pension assets over \$500,000.

## Pooled Pension Trust Fund

5 Year Performance Record\*



Income Section



\*Exclusive of distributed dividends and interest.



R. J. McCabe, National Manager Stock Transfer Operations; R. L. Armstrong, Vice-President Business Development and P. F. Bennett, Secretary with clients at the closing of a financial underwriting.

## Stock Transfer and Corporate Trust

The active stock market and the addition of new corporate clients contributed to another increase in revenues from the Company's stock transfer operations in 1972. Stock transfer operations in Toronto, Montreal, Vancouver, Calgary, Edmonton, Regina and Winnipeg service clients whose shares are traded in the various Canadian stock exchange cities.

While discussions of a central securities depository continue, it appears that it will be some time before such a system could become operative. Should the depository be established, it is likely that the nature of the stock transfer agent's task will change, although his role will remain basically the same.

Corporate trust revenues were stable in 1972 reflecting a period of reorganization and consolidation in this area. Moderate growth can be anticipated in the future.



An officer of a client company discussing the investment performance of their employee pension fund with H. C. Aird, Manager, Corporate Pension Services.



# Operations



G. R. Sharwood, President with T. P. Clarke, Manager of one of Guaranty Trust's 44 offices.

## Branch Operations

A review was carried out of all existing branch facilities within the Company and plans laid for the renovation and expansion of a number of offices. The Cornwall and Ottawa-Billings Bridge Plaza branches were transferred to larger premises in 1972 and the move of the Thunder Bay (Arthur Street) office to new premises was completed in January, 1973.

The Company will open its first new branch since 1969 in south Edmonton in the spring of 1973. At least two additional new offices will be opened during 1973. These ongoing improvements in the existing branch facilities and the expansion of the network will be important contributors to the future growth of the Company.

Opening of the new Guaranty Trust office in Thunder Bay: S. J. Fitzgerald, Manager; E. B. Toller, Assistant Vice-President Branches; H. Badanai, Advisory Board Member; His Worship Mayor Assef; J. J. Olscamp, First Vice-President; R. J. Flatt, Advisory Board Chairman.



## Organizational Development

1972 was a year of substantial change and strengthening in the area of personnel. A process of reorganizing the corporate management structure was started in order to improve the Company's operating effectiveness and increase its responsiveness to its personal and corporate service markets. New staff departments were created in such areas as marketing and information systems and additional expertise brought to bear in almost all existing areas, both at central office and in branch operations.

Uniform personnel policies were instituted throughout the Company, including the implementation of a formal salary structure and a comprehensive employee benefit package designed to be competitive within the industry. Personnel development is being encouraged through the launching of a manpower planning programme and the initiation of regular management conferences and staff training seminars.



W. M. Moore, Assistant Vice-President Personnel; J. A. Farrer, Assistant Vice-President Personal Loans and L. F. Eberts Assistant Vice-President Marketing discussing the expansion of the Guaranty Plan Loan operations.



# Balance Sheet

Balance Sheet as at December 31, 1972

## Assets

### Investments

	1972	1971
		(Reclassified Note 1)
Cash and bank deposit receipts	\$ 32,889,000	\$ 43,647,000
Securities and loan income accrued	6,342,000	5,833,000
Securities:		
Government of Canada and Provinces of Canada		
direct and guaranteed bonds, at amortized cost	84,608,000	89,763,000
Corporation short term notes, at cost	74,715,000	86,607,000
Other securities, at cost or amortized cost:		
Municipal	3,401,000	2,805,000
Corporation bonds and debentures	19,234,000	6,573,000
Stocks	13,694,000	12,129,000
(Market value 1972—\$35,994,000; 1971—\$22,525,000)	36,329,000	21,507,000
	195,652,000	197,877,000
Investment in affiliated company, at cost	540,000	—
Loans:		
Mortgages, at cost	507,110,000	469,920,000
Secured loans	33,158,000	29,046,000
Consumer loans, less provision for losses	11,658,000	10,050,000
	551,926,000	509,016,000
	787,349,000	756,373,000

### Other Assets

Premises, leasehold improvements and equipment, at cost less accumulated depreciation and amortization of \$3,443,000 (1971—3,063,000)	4,550,000	3,910,000
Advances to estates, trusts and agencies	250,000	250,000
Accounts receivable and other assets	897,000	204,000
	\$793,046,000	\$760,737,000

## Liabilities and Shareholders' Equity

### Liabilities

Guaranteed Trust Funds:		
Demand deposits	\$284,740,000	\$267,526,000
Term deposits	447,420,000	439,014,000
Interest accrued and other payables	12,077,000	11,380,000
	744,237,000	717,920,000
Income taxes payable	2,026,000	1,879,000
Dividend payable	622,000	556,000
Other liabilities	823,000	58,000
	\$747,708,000	\$720,413,000
Deferred Income Taxes (Note 1)	363,000	—

### Shareholders' Equity

Capital stock (Note 3)		
Authorized—10,000,000 Shares (1971—5,000,000 Shares) of \$2 par value		
Issued —4,444,450 Shares	8,889,000	8,889,000
General reserve	33,000,000	30,000,000
Unappropriated earnings	3,086,000	1,435,000
	44,975,000	40,324,000
	\$793,046,000	\$760,737,000



# Statement of Revenue and Expense

For the Year Ended December 31, 1972

	1972	1971
<b>Revenue</b>		(Reclassified Note 1)
Interest from mortgages and other loans	\$ 42,008,000	\$ 36,037,000
Interest and dividends from securities and bank deposit receipts	13,247,000	14,722,000
Fees and commissions (Note 1)	5,868,000	4,996,000
	61,123,000	55,755,000
<b>Expense</b>		
Interest on deposits	41,772,000	39,693,000
Salaries and staff benefits	6,395,000	5,166,000
Premises including depreciation and amortization of \$190,000 (1971—\$206,000)	1,229,000	1,133,000
Other operating expenses	2,715,000	2,496,000
	52,111,000	48,488,000
Operating profit before taxes	9,012,000	7,267,000
Income taxes (Note 1)		
current	4,094,000	3,545,000
deferred	(47,000)	—
	4,047,000	3,545,000
<b>Net operating profit</b>	4,965,000	3,722,000
Net gain on sale of investments (including in 1971 provision for losses on mortgages), less applicable income taxes	217,000	100,000
<b>Net profit before extraordinary item</b>	5,182,000	3,822,000
Gain on disposal of premises	200,000	—
<b>Net profit for the year</b>	\$ 5,382,000	\$ 3,822,000
Earnings per share:		
Net operating profit	\$1.12	\$0.95
Net gain on sale of investments	\$0.05	\$0.02
Net profit before extraordinary item	\$1.17	\$0.97
Net profit for the year	\$1.21	\$0.97
Weighted average number of shares outstanding during the year	4,444,450	3,935,187

We hereby certify that to the best of our knowledge and belief the balance sheet as at December 31, 1972 and the statements of revenue and expense, unappropriated earnings and general reserve for the year then ended are correct and show truly and clearly the financial condition of the Company's affairs and the results of its operations.

G. R. Sharwood, *President* J. W. McCutcheon, *Director* D. K. Marquis, *Vice-President*

## Notes to Financial Statements, December 31, 1972

### 1. Change in Accounting Practice

In 1972 the Company has followed accounting practices now common in the trust industry, and has made the following changes from previous years:

(a) Certain fees previously recorded as income when collected have been recorded in 1972 as billed, less a provision for losses. This had no significant effect on net profit for the year.

(b) The Company adopted the generally accepted accounting principle of calculating its income tax on the deferred income tax basis.

(c) The reserves for mortgages and other securities previously deducted from the applicable assets have been transferred to unappropriated earnings.

(d) The 1971 comparative figures have been reclassified to reflect the account classification adopted in 1972.

### 2. Adjustments Relating to Prior Years

The adjustments include the restatement of land and buildings at cost less accumulated depreciation as well as provision for estimated income taxes and related charges

in connection with the reporting of income over a number of years prior to 1971 although no final settlement has been made in this regard.

### 3. Capital Stock

In 1972 the Company was reconstituted as a letters patent company under the Trust Companies Act, having the same powers as previously held. The Company was formerly incorporated by a Special Act of the Parliament of Canada.

Under the letters patent the authorized capital of the Company was increased to 10,000,000 common shares of a par value of \$2.00.



# Statement of Unappropriated Earnings

For the Year Ended December 31, 1972

	1972	1971
Balance at beginning of the year		
As previously reported	\$ 1,435,000	\$ 1,182,000
Transfer of reserves for mortgages and other securities	2,536,000	—
Adjustment for prior years' deferred income taxes	(410,000)	—
Adjustments relating to prior years (Note 2)	(368,000)	—
As restated	3,193,000	1,182,000
Net profit for the year	5,382,000	3,822,000
	8,575,000	5,004,000
Deduct—Dividends (1972—56 cents per share; 1971—50 cents per share)	2,489,000	2,014,000
—Transfer to general reserve	3,000,000	1,555,000
	5,489,000	3,569,000
Balance at end of the year	\$ 3,086,000	\$ 1,435,000

## Statement of General Reserve

For the Year Ended December 31, 1972

	1972	1971
Balance at beginning of the year	\$ 30,000,000	\$ 24,000,000
Proceeds in excess of par value of capital stock issued during the year	—	4,445,000
Transfer from unappropriated earnings	3,000,000	1,555,000
Balance at end of the year	\$ 33,000,000	\$ 30,000,000

## Auditors' Report

*To the Shareholders of Guaranty Trust Company of Canada*

We have examined the balance sheet of Guaranty Trust Company of Canada as at December 31, 1972 and the statements of revenue and expense, unappropriated earnings and general reserve for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the financial position of the Company as at December 31, 1972 and the results of its operations and changes in general reserve for the year then ended, in accordance with generally accepted accounting principles which, except for the changes referred to in Note 1 to the financial statements, have been applied on a basis consistent with that of the preceding year.

Toronto, January 25, 1973

Price Waterhouse & Co.  
Chartered Accountants



# Board of Directors

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Partner—Bassel, Sullivan &  
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Vice-President, Molson, Rousseau  
& Co. Limited  
Montreal, Quebec

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Chairman and President, Bennett  
Corporation Limited  
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F.W. Woolworth Company Limited  
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Toronto, Ontario

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President, Traders Group Limited  
Toronto, Ontario

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Partner—Fulton, Cumming,  
Richards, Underhill, Fraser,  
Skillings  
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Chairman of the Board, Grafton  
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Toronto, Ontario

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President, Cataract Canvas  
Limited  
Niagara Falls, Ontario

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Chrysler Canada Ltd.  
Windsor, Ontario

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Chairman, Western Decalta  
Petroleum Ltd.  
Calgary, Alberta

W. A. Major,  
President, The United Provinces  
Insurance Company  
Montreal, Quebec

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President, Kinross Mortgage  
Corporation  
Toronto, Ontario

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*of the Executive Committee*,  
Partner—Shibley, Righton &  
McCutcheon  
Toronto, Ontario

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Ottawa, Ontario

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Chairman, H. J. O'Connell Limited  
Montreal, Quebec

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President, Jorex Limited  
Toronto, Ontario

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Chairman and Chief Executive  
Officer, Denison Mines Limited  
Toronto, Ontario

W. S. Row,  
Executive Vice-President,  
Noranda Mines Limited  
Toronto, Ontario

J. B. Sangster,  
Chairman and Chief Executive  
Officer, Modern Packaging  
Company Ltd.  
Regina, Saskatchewan

A. Sarlos,  
President, MerBan Capital  
Corporation Limited  
Toronto, Ontario

\*G. R. Sharwood  
President, Guaranty Trust  
Company of Canada  
Toronto, Ontario

W. J. Shea, Q.C.,  
Partner—Shea, Mossop, Stoner  
& Weaver  
Sudbury, Ontario

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Chairman and President,  
E. D. Smith & Sons Limited  
Winona, Ontario

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Chairman, John F. Sullivan Co.  
of Canada Limited  
Toronto, Ontario

D. I. Webb,  
Financial Consultant  
Toronto, Ontario

D. B. Weldon,  
Chairman & President,  
Midland-Osler Securities Limited  
Toronto, Ontario

\*R. F. Wilson, Q.C.,  
Partner—Day, Wilson, Campbell  
Toronto, Ontario

Honourable A. A. Wishart, Q.C.,  
Chairman, Criminal Injuries  
Compensation Board  
Toronto, Ontario

\**Member of the Executive  
Committee*

## Directors Emeriti

W. H. Furlong, Q.C., Windsor,  
Ontario  
R. W. Keeley, K.S.G., K.M.,  
Windsor, Ontario  
J. P. Manley, Q.C., Toronto,  
Ontario  
Geo. M. Miller Q.C.,  
Sudbury, Ontario.



# Officers of the Company

G. R. Sharwood, B.A., M.A.  
*President*

J. J. Olscamp  
*First Vice-President*  
D. K. Marquis, F.C.A.  
*Vice-President—Administration*  
R. L. Armstrong, LL.B.  
*Vice-President—*  
*Business Development*  
H. R. Barclay  
*Vice-President—Investments*  
J. D. Crease, LL.B.  
*Vice-President—Personal Trust*

P. F. Bennett, LL.B.  
*Secretary*

## Assistant Vice Presidents

L. F. Eberts, B.Comm., M.B.A.  
*Marketing & Planning*  
J. A. Farrer, B.A.  
*Personal Loans*  
H. Jim, B.A.Sc., C.A.  
*Controller*  
W. M. Moore, B.Comm.  
*Personnel*  
H. A. Rorison, B.Comm.  
*Corporate Finance*  
P. A. Spark, M.A., C.F.A.  
*Equity Investments*  
E. B. Toller, B.A., B.Comm.  
*Branches*  
R. J. Widdicombe, B.A.  
*Mortgage Investments*

## Client Service Managers

H. C. Aird, B.A., LL.B.  
*Corporate Pension Services*  
R. E. Biggin, F.R.I.  
*Real Estate*  
J. F. Chapple  
*Investment Fund Sales*  
W. J. Freeman  
*Mortgages*  
G. E. Galbraith  
*Personal Trust*  
R. J. McCabe  
*Stock Transfer Operations*  
J. D. Nowlan  
*Deposit Development*  
V. H. Perry  
*Corporate Trust Development*  
R. C. Wright  
*Investment Fund Services*

## Administrative Managers

C. T. Brodkorb, C.G.A.  
*Internal Audit*  
P. S. Hayward, B.Comm., C.A.  
*Information Systems*  
W. T. Phillips  
*Premises*  
R. M. Price, C.A.  
*Budget Planning*



# Managers, Agents and Offices

## Alberta

### Calgary

311 Eighth Ave. S.W.  
D. R. Cook, *Manager*  
F. A. Youcks, *Assistant Manager*

### Edmonton

10010 Jasper Avenue  
E. K. Stephens, *Manager*  
10458 82nd Avenue  
D. A. Pollitt, *Manager*

## British Columbia

### Vancouver

540 Burrard St.  
B. M. Miller, *Manager*  
R. A. Stack, *Assistant Manager*

1655 Marine Drive  
A. E. F. Staple, *Manager*

2741 Granville Street  
A. J. Kunz, *Manager*

1452 Lonsdale Avenue  
Mrs. S. S. Robb, *Manager*

### Victoria

L. G. McKenzie, *Q.C., Agent*

## Manitoba

### Winnipeg

430 Portage Avenue  
W. M. Simms, *Manager*

## New Brunswick

### Fredericton

H. A. Hanson, *Q.C., Agent*

## Newfoundland

### St. John's

E. Cook, *Q.C., Agent*

## Northwest Territories

### Yellowknife

D. A. Finall, *Agent*

## Nova Scotia

### Halifax

R. J. Downie, *Q.C., Agent*

## Ontario

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199 Front Street  
K. D. Dorrington, *Manager*

### Cornwall

254 Pitt Street  
J. L. Cook, *Manager*

### Hamilton

82 King Street E.  
W. A. Baker, *Manager*

### Hanover

261 10th Street  
E. D. Buehlow, *Manager*

### Leamington

25 Talbot St. E.  
G. R. Wigle, *Manager*

### Niagara Falls

4424 Queen Street  
G. H. Smith, *Manager*

5799 Main Street  
K. H. Lindsay, *Manager*

### North Bay

101 Main Street E.  
L. M. Edwards, *Manager*

### Oshawa

32 King St. E.  
T. M. Roberts, *Manager*

### Ottawa

109 Bank Street  
W. A. Edge, *Manager*  
G. J. Lalonde, *Assistant Manager*  
W. D. Bouillon, *Assistant Manager*

Billings Bridge Plaza  
H. W. E. Mallalieu, *Manager*

St. Laurent Shopping Centre  
B. G. Hildebrandt, *Manager*

### Pembroke

126 Pembroke St. W.  
L. Loevenmark, *Manager*

### Peterborough

348 George Street N.  
W. J. Chapman, *Manager*

### Richmond Hill

44 Yonge St. S.  
D. P. Rogers, *Manager*

### St. Catharines

110 King St.  
A. M. Damude, *Manager*

### Sault Ste. Marie

498 Queen St. E.  
R. E. White, *Manager*

### Simcoe

2 Norfolk St. S.  
H. W. Fick, *Manager*

### Stouffville

81 Main St. W.  
J. C. Barrett, *Manager*

### Sudbury

105 Durham St. S.  
C. D. Aiken, *Manager*  
O. F. Gross, *Assistant Manager*

### Thunder Bay

240 Arthur Street  
S. J. Fitzgerald, *Manager*  
516 Victoria Avenue  
R. A. Thompson, *Manager*

### Toronto

366 Bay Street  
W. C. Irwin, *Savings Manager*  
1719 Avenue Road  
T. P. Clarke, *Manager*  
970 Bloor Street  
M. D. Steenson, *Manager*  
45 Don Mills Centre  
M. J. Broadbent, *Manager*  
2555 Victoria Park Avenue  
I. B. R. Montizambert, *Manager*  
2488 Yonge Street  
V. R. Snow, *Manager*  
3204 Yonge Street  
R. H. Barrie, *Manager*  
4809 Yonge Street  
G. H. Plum, *Manager*

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62 East Main St.  
K. J. P. Moser, *Manager*

### Windsor

305 Victoria Ave.  
D. G. Tait, *Manager*  
L. E. Owens, *Assistant Manager*

## Quebec

### Hull

114 Main Street  
M. Coté, *Manager*

### Montreal

427 St. James St. W.  
L. A. Lussier, *Manager*  
E. R. Feeley, *Assistant Manager*

## Saskatchewan

### Moose Jaw

351 Main St. N.  
W. A. Roe, *Manager*

### Regina

2020 11th Avenue  
A. O'Leary, *Manager*

### Saskatoon

212 22nd St. E.  
J. M. Thomas, *Manager*

## Foreign Agents

National Bank of Detroit  
Detroit  
Royal Bank of Canada  
London, England



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Petroleum Limited
- J. L. MacPherson,  
MacPherson, Kelly & O'Neill
- D. C. Matthews,  
President, Highland Stock  
Farms Limited
- E. O'Connor,  
Administrator, Calgary  
Associate Clinic
- C. Von Maffei,  
Chairman of the Board,  
Sabre Petroleums Limited

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President & Chief Executive  
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- \*Hon. Geo. Prudham,  
President, Prudham Building  
Supplies Limited
- E. S. Sunley,  
President, Sunley Electric  
Limited
- L. E. Wilson,  
President & Managing Director,  
Futurity Oils Limited

## British Columbia

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B.C.L., R.S.B.C.,  
Ainsworth, Jenson, Norby,  
Purvis and Kendall
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& *Director*,  
President, Bennett Corporation  
Limited
- F. S. Clendenning,  
Director, Dominion Shipping  
Company
- Hon. E. D. Fulton, P.C., Q.C.,  
*Director*,  
Fulton, Cumming, Richards,  
Underhill, Fraser, Skillings
- J. D. Leishman, M.D.,  
Director, Teck Corporation  
Limited
- W. C. Mulvihill,  
Special Representative,  
Guaranty Trust Company  
of Canada
- B. H. Rae,  
Director, Rae-Son Limited

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Baker, Zivot, Wolchok  
& Company
- P. P. Halls
- \*M. Neaman,  
President, Neaman Fur Co. Ltd.

## Ontario

### Belleville

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Cameron & Ord
- R. B. Graham,  
R. B. Graham Investments
- L. E. Grills
- \*A. M. Haig, O.B.E., B.A.  
H. J. McFarland,  
President, H. J. McFarland  
Construction Company Limited
- J. M. Parrott,  
President, StanleyPark Limited

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Fennell, Rudden, Campbell  
& Wilson
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President, Maxville Feed & Seed  
Company Limited
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Secretary-Treasurer, Cledic  
Enterprises Limited
- G. W. Thom,  
President, The Thom Insurance  
Agency Limited

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President, Wm. Hewson  
Enterprises
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Chairman & President,  
E. D. Smith & Sons Limited
- J. H. Templin, C.L.U.

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Barrister & Solicitor

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- J. H. Davidson, M.D.
- \*W. B. Gunning, *Director*,  
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Limited
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Editor & Publisher,  
Niagara Falls Evening Review
- A. F. Sheppard, Q.C.,  
Martin, Sheppard, Clark,  
McKay & Den Ouden

- D. R. White,  
President, M.A. Kent Stores  
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Director, McEwan Tougard  
Industries Limited
- K. Graber,  
President, Federal Drilling  
Supplies Limited
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Valin, Loukidelis, Smith & Valin

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- S. E. Lovell,  
President, Lovell Drugs Ltd.
- \*T. L. Wilson,  
Associate Publisher,  
The Oshawa Times

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Assurance-Vie
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Low, Murchison, Burns,  
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Lines Limited
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F.A.A.P.
- W. J. Garner,  
General Manager, Peterborough  
Examiner Company Limited
- M. Golumbia, B.Acc.,  
Chartered Accountant
- \*J. G. Wharry,  
Director, The Quaker Oats  
Company of Canada Limited



St. Catharines

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Vice-Chairman of Finance for  
the Region of Niagara;  
Commissioner of the Niagara  
Regional Police Commission

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Chown, Cairns, Edgar, Taliano  
& Huska

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President, Parkway Lanes  
Limited; Parkway Inn Motor  
Hotel

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President, Blenkhorn and  
Sawle Limited

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Smiley, Scott & Ralph

Sault Ste. Marie

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Vice-President, Prescription  
Centre (Sault) Limited

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Lawson, Priddle & Pawelek

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Wishart, Noble, Nori,  
Reilly & Wright

H. D. Peterson, Q.C.,  
Peterson & Peterson

A. B. Sinclair, M.D., F.R.C.S.(C),  
Chief of Staff, Plummer  
Memorial Public Hospital

Sudbury

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A. J. Pianosi,  
Chairman, Netto Holdings  
Limited

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Shea, Mossop, Stoner & Weaver

Thunder Bay

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Chairman, Northern Ontario  
Development Corp.

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President & Managing Director,  
Claydon Company Limited

P. R. Cook,  
President, Barnett-McQueen  
Co. Ltd.

\*R. J. Flatt,  
President, G. R. Duncan &  
Co. Ltd.  
E. Powell, M.D.

Toronto

E. G. Burgess

\*Brig. Gen. W. P. Gilbride,  
C.B.E., D.S.O., E.D., LL.D.,  
*Vice-President & Director*,  
Chairman, Grafton Group  
Limited

H. H. Siegal, Q.C.,  
Siegal, Fogler, Horkins &  
Greenglass

Welland

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University and Board of  
Governors, St. Andrew's  
College, Toronto

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MacInnes & Blackadder  
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President, E. G. Marsh Limited

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Vice-President, Marketing  
Division, Chrysler Canada  
Limited

Quebec

Hull

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& Sons Inc.

\*L. J. Grégoire,  
Président, Grégoire & Courchesne  
Dr. G. Isabelle, M.P.

J. H. Kelly,  
President, Kelly-Leduc Limited  
G. Moreault,  
Président, Gérard Moreault  
Limitée

A. Pilon,  
Président, Pilon Ltée (PAL)  
P. F. Raymond,  
Président, A. L. Raymond Ltée

Montreal

W. K. Baldwin,  
Canadian Ingersoll-Rand Co. Ltd.

J. J. Beauchemin, Q.C.,  
Président, Groupe Minier  
Sullivan Ltée

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& Director*,  
Vice-Chairman, Molson,  
Rousseau & Co. Ltd.  
C. A. Cadieux, *Director*  
Vice-President, F. W. Woolworth  
Company Limited  
G. Charbonneau, B.A.,  
President, Peerless Insurance  
Agencies Ltd.

G. L. Clermont,  
Président du Conseil, Clermont  
Motors Limited

E. J. Crevier  
R. F. Elliott, Q.C.,  
Stikeman, Elliott, Tamaki,  
Mercier & Robb  
Brig. Gen. J. G. Gauvreau,  
President, Concordia Estates  
Limited

\*\*G. H. Leal,  
President, G. H. Leal and  
Company  
W. A. Major, *Director*,  
President, United Provinces  
Insurance Co.  
H. J. O'Connell, K.C.S.G., *Director*,  
Chairman of the Board,  
H. J. O'Connell Limited  
P. Vaillancourt, Jr.,  
Directeur des Services  
Administratifs,  
La Prévoyance  
Compagnie d'Assurance

Saskatchewan

Moose Jaw

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Dubinsky, Phillips & Andreychuk  
J. M. Heffley  
W. Konopaki,  
President, Moose Jaw Sash  
& Door (1963) Co. Ltd.  
T. B. Seaborn  
F. H. Wigmore, M.D.

Regina

J. Bechard  
D. M. McPherson, M.L.A.,  
President, McPherson &  
Thom Ltd.

\*J. D. Sangster, *Director*,  
Chairman & Chief Executive  
Officer, Modern Packaging  
Company Ltd.  
S. Young, M.D., C.R.C.S.,  
Chairman, Medical Arts Clinic

Saskatoon

M. Boychuk,  
President, Boychuk Construction  
(Sask.) Ltd.

\*D. S. McKercher, Q.C.,  
Wedge, McKercher, McKercher  
& Stack

\*Chairman

\*\*Vice-Chairman



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Montreal, Quebec  
R. H. Coulson,  
Niagara Falls, Ontario  
Hon. M. Dewan,  
Toronto, Ontario  
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Belleville, Ontario  
P. Gardner,  
Sudbury, Ontario  
W. J. Hussey,  
Vancouver, British Columbia  
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Windsor, Ontario  
J. H. Lane,  
Regina, Saskatchewan  
A. L. MacLean,  
Welland, Ontario  
F. D. Mathers,  
Vancouver, British Columbia  
A. G. McHugh, Q.C.,  
Ottawa, Ontario  
Lt.-Col. G. W. H. Millican, Q.C.,  
Calgary, Alberta  
J. E. Racicot,  
Sudbury, Ontario  
Geo. Weller,  
Windsor, Ontario



# Five Year Review

	1972	1971	1970	1969	1968
(\$000's omitted)	— As Previously Reported —				
Investment Income	\$ 55,255	\$ 50,759	\$ 46,343	\$ 39,517	\$ 32,789
Fees and Commissions	5,868	4,996	5,220	4,924	3,781
Gross Revenue	\$ 61,123	\$ 55,755	\$ 51,563	\$ 44,441	\$ 36,570
Net Profit for the Year	\$ 5,382	\$ 3,822	\$ 2,017	\$ 2,788	\$ 2,943
<b>Per Share</b>					
Net Profit for the Year	\$1.21	\$0.97	\$0.52	\$0.72	\$0.81
Dividends	0.56	0.50	0.50	0.50	0.48
Shareholders' Equity	10.12	9.07	8.48	8.46	8.38
<b>Year End Position</b>					
Mortgages	\$ 507,110	\$ 469,920	\$ 412,174	\$ 380,177	\$ 339,523
Guaranteed Trust Funds	744,237	717,920	614,599	585,759	500,513
Shareholders Equity	44,975	40,324	32,960	32,887	32,573
Assets Under Administration					
Company and Guaranteed Funds	793,046	760,737	648,059	619,558	533,692
Estate, Trust and Agency Assets	551,747	480,759	429,709	393,919	351,210
Total Assets Under Administration	\$ 1,344,793	\$ 1,241,496	\$ 1,077,768	\$ 1,013,477	\$ 884,902
Average Number of Shares Outstanding	4,444,450	3,935,187	3,888,890	3,888,890	3,633,035



